

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name TOWNSHIP OF STANTON	County HOUGHTON
Fiscal Year End MARCH 31, 2006	Opinion Date SEPTEMBER 30, 2006	Date Audit Report Submitted to State SEPTEMBER 30, 2006	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES

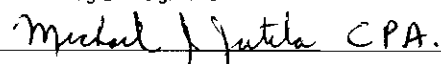
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) JUTILA JORGENSON & ASSOCIATES P C		Telephone Number 906-482-2358	
Street Address PO BOX 175		City HOUGHTON	State MI
Zip 49931			
Authorizing CPA Signature 	Printed Name MICHAEL J JUTILA	License Number 1101024074	

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Jutila, Jorgenson and Associates, P.C.

P.O. Box 175

Houghton, Michigan 49931

September 30, 2006

Township Board
Township of Stanton
Houghton, Michigan 49931

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, the business – type activities, each major fund and the aggregate remaining fund information of the TOWNSHIP OF STANTON, MICHIGAN as of March 31, 2006 and for the year then ended, which collectively comprise the Township's basis financial statements as listed in the table of contents. These financial statements are the responsibility of the TOWNSHIP OF STANTON'S management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the TOWNSHIP OF STANTON at March 31, 2006 and the results of its operations and respective changes in financial position and the cash flows, where applicable for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

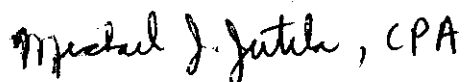
As described in Note B, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, as of March 31, 2005.

The Management's Discussion and Analysis as listed in the table of contents is not a required part of basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have

applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued a report dated September 30, 2006, on our consideration of the TOWNSHIP OF STANTON, MICHIGAN'S internal control structure and its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental financial information listed in the table of contents is presented for purposes of additional analyses and is not a required part of the financial statements of the TOWNSHIP OF STANTON, MICHIGAN. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Handwritten signature of Michael J. Jutula, CPA.

Michael J. Jutula
Certified Public Accountant
Jutula, Jorgenson & Associates, P.C.

Jutila, Jorgenson and Associates, P.C.
P.O. Box 175
Houghton, Michigan 49931
September 30, 2006

Township Board
Township of Stanton
Houghton, Michigan 49931

Independent Auditor's Report on Compliance and Other Matters and on Internal Control
Over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards

We have audited the financial statements of the TOWNSHIP OF STANTON, MICHIGAN as of and for the year ended March 31, 2006 and have issued our report thereon dated September 30, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the TOWNSHIP OF STANTON, MICHIGAN'S financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the TOWNSHIP OF STANTON, MICHIGAN in a separate letter dated September 30, 2006.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the TOWNSHIP OF STANTON, MICHIGAN'S internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider being material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of the TOWNSHIP OF STANTON, MICHIGAN in a separate letter dated September 30, 2006.

This report is intended for the information of the Township Board, management, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specific parties.

Respectfully Submitted,

Michael J. Jutila, CPA

Michael J. Jutila
Certified Public Accountant
Jutila, Jorgenson & Associates, P.C.

TOWNSHIP OF STANTON, MICHIGAN

Management's Discussion and Analysis FY 2005-2006

The management, Board and Finance Committee members of the Township of Stanton present this overview and analysis of the finances of the Township of Stanton for the fiscal year ended March 31, 2006. It is presented for the broad purpose of providing additional information and insight into the financial statements and activities of the Township of Stanton and should be read in conjunction with the financial statements and the notes to the financial statements.

Financial Highlights

- **General Fund revenue reduction:** Overall general fund revenue was up from the previous fiscal year by 58%, an increase of \$97,794.
- **Fire Department purchases:** \$55,900 for a new fire truck, and \$12,015 for additional equipment. This was accomplished with a loan in the amount of \$42,000 and a \$25,915 expenditure from Fire surplus funds.
- **Redridge Dam:** Improvements amounting to approximately \$89,580 were made to Redridge dam within the last two years. This money came from surplus funds in the General Fund.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township of Stanton statements. The Township of Stanton's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township of Stanton finances, in a manner similar to a private-sector to a private-sector business.

The *statement of net assets* presents information on all of the Township of Stanton assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets have changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Township of Stanton that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township of Stanton include public safety, public works, recreation and culture and general administrative services. The business-type activities of the Township of Stanton include sewer services.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township of Stanton, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Township of Stanton can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statement focus on near-term inflows and outflows of spendable resources, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in the fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township of Stanton maintains 3 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and change in the fund balances for the General Fund, Road Fund, and Fire Fund which are considered to be major funds.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. A budgetary comparison statement had been provided for the general fund and the other major funds to demonstrate compliance with this budget.

Proprietary funds. The Township of Stanton maintains one proprietary fund. Enterprise funds are used to report the same functions presents as *business type activities* in the government-wide financial statements. The Township uses an enterprise fund to account for its sewer activity.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Township maintains one fiduciary fund, the tax collection agency fund.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Township's activities.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Township of Stanton, assets exceeded liabilities by \$890,463 at the close of the most recent fiscal year. A significant portion of the Township's net assets (34 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Township used these capital assets to provide services to citizens; consequently, these assets are *not* available for the future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Township's Net Assets		
	Governmental Activities	Business-Type Activities	Total
Current and Other Assets	\$ 585,728	\$ 6,255	\$ 591,983
Capital Assets	377,567	56,417	433,984
Total Assets	963,295	62,672	1,025,967
Long-term Liabilities	49,130	-	49,130
Other Liabilities	43,373	43,001	86,374
Total Liabilities	92,503	43,001	135,504
Net Assets:			
Invested in Capital Assets			
net of related debt	293,444	13,416	306,860
Unrestricted	577,348	6,255	583,603
Total Net Assets	870,792	19,671	890,463

Unrestricted net assets (\$583,603) may be used to meet the Township's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Financial Analysis of the Township's Funds

As noted earlier, the Township used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a Township's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$550,475.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, the total fund balance was \$284,795.

The fund balance of the Township's general fund increased by \$124,335 during the current fiscal year.

Proprietary funds. The Township's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Sewer fund at the end of the year amounted to \$19,671.

General Fund budgetary Highlights

Differences between the original budget and the final amended budget were \$0.

Capital Asset and Debt Administration

Capital Assets. The Township's investments in the capital assets for its governmental and business type activities as of March 31, 2006, amount to \$393,984 (*net of accumulated depreciation*). This investment in capital assets includes: land, buildings and system improvements, machinery and equipment, park facilities, etc.

Details of the Township's capital assets are in the notes to the financial statements.

Long-term debt. At the end of the current fiscal year, the Township had total installment debt outstanding of \$84,123. Of this amount, \$84,123 comprises debt backed by the full faith and credit of the government and \$0 represents bonds secured solely by specified revenue sources.

Additional information on the Township's long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate is still high in the State of Michigan and the State's shortfall in the budget means further reductions in the state-shared revenues. State shared revenues are expected to remain even or decrease in the 2006-2007 fiscal year. The Township budgeted for a decrease in state-shared revenue. This factor was considered in preparing the Township's budget for the 2006-2007 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Township of Stanton's finances for all those with an interest in the Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Township's Clerk's Office:

John Botto, Township Clerk
Township of Stanton
14010 Limingo Road
Atlantic Mine, MI 49905
(906) 482-8319

TOWNSHIP OF STANTON, MICHIGAN
Statement of Net Assets
AS OF MARCH 31 , 2006

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Cash and cash equivalents	\$ 546,178	\$ 15,415	\$ 561,593
Receivables	29,550	840	30,390
Internal balances	10,000	(10,000)	-
Capital assets:			
Land	203	-	203
Other capital assets, net of depreciation	377,364	56,417	433,781
Total capital assets	<u>\$ 377,567</u>	<u>56,417</u>	<u>\$ 433,984</u>
Total assets	<u>\$ 963,295</u>	<u>\$ 62,672</u>	<u>\$ 1,025,967</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 8,380	\$ 43,001	\$ 51,381
Long-term liabilities:			
Due within one year	34,993	-	34,993
Due in more than one year	49,130	-	49,130
Total Liabilities	<u>\$ 92,503</u>	<u>\$ 43,001</u>	<u>\$ 135,504</u>
NET ASSETS			
Invested in capital assest, net of related debt	\$ 293,444	\$ 13,416	\$ 306,860
Unrestricted	577,348	6,255	583,603
Total net assets	<u><u>\$ 870,792</u></u>	<u><u>\$ 19,671</u></u>	<u><u>\$ 890,463</u></u>

**The accompanying notes to financial statements are an integral part of this statement

Township of Stanton, Michigan
Statement of Activities
Year Ended March 31, 2006

		Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services		Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs	Expenses							
PRIMARY GOVERNMENT:								
Governmental activities:								
General government	\$ 107,070	\$ 12,131	\$ -	\$ -		\$ (94,939)	\$ -	\$ (94,939)
Public safety	50,902	1,801	-	-		(49,101)		(49,101)
Public works	1,766	-	-	-		(1,766)		(1,766)
Culture and recreation	22,191	4,254	-	-		(17,937)		(17,937)
Other	-	-	-	-		-		-
Interest on long-term debt	2,665	-	-	-		(2,665)		(2,665)
Total governmental activities	\$ 184,594	\$ 18,186	\$ -	\$ -		\$ (166,408)		\$ (166,408)
Business-type activities:								
Sewer	\$ 1,970	\$ 3,840	\$ -	\$ -		\$ -	\$ 1,870	\$ 1,870
Total business-type activities	\$ 1,970	\$ 3,840	\$ -	\$ -		\$ -	\$ 1,870	\$ 1,870
Total government	\$ 186,564	\$ 22,026	\$ -	\$ -		\$ (166,408)	\$ 1,870	\$ (164,538)
General revenues:								
Taxes:								
Property taxes, levied for general purposes						\$ 194,631	\$ -	\$ 194,631
Grants and contributions not restricted to specific programs						106,165	-	106,165
Unrestricted investment earnings						9,804	241	10,045
Miscellaneous						77,147	-	77,147
Transfers						-	-	-
Total general revenues, special items, and transfers						\$ 387,747	\$ 241	\$ 387,988
Change in net assets						\$ 221,339	\$ 2,111	\$ 223,450
Net assets-beginning						649,453	17,560	667,013
Net assets-ending						\$ 870,792	\$ 19,671	\$ 890,463

****The accompanying notes are an integral part of these financial statements.**

TOWNSHIP OF STANTON, MICHIGAN
Government Funds
Balance Sheet
AS OF MARCH 31, 2006

	General Fund	Road Fund	Fire Fund	Total
ASSETS				
Cash	\$ 278,370	\$ 194,912	\$ 72,896	\$ 546,178
Receivables (net of allowance for doubtful accounts):				
Taxes	9,973	5,351	5,160	20,484
Due from other funds	14,775	2,184	2,107	19,066
TOTAL ASSETS	\$ 303,118	\$ 202,447	\$ 80,163	\$ 585,728
LIABILITIES				
Accounts payable and accrued expenses	\$ 6,251	\$ -	\$ 2,129	\$ 8,380
Due to other funds	-	-	-	-
Deferred revenue	12,072	7,534	7,267	26,873
TOTAL LIABILITIES	\$ 18,323	\$ 7,534	\$ 9,396	\$ 35,253
FUND EQUITY				
Fund balance:				
Unreserved	\$ 284,795	\$ 194,913	\$ 70,767	\$ 550,475
TOTAL FUND EQUITY	\$ 284,795	\$ 194,913	\$ 70,767	\$ 550,475
	\$ 303,118	\$ 202,447	\$ 80,163	\$ 585,728

****The accompanying notes to financial statements are an integral part of this statement**

TOWNSHIP OF STANTON, MICHIGAN
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
YEAR ENDED MARCH 31, 2006

	Governmental Fund Types			
	General Fund	Road Fund	Fire Fund	Total
Revenues:				
Taxes	\$ 62,051	\$ 67,839	\$ 65,454	\$ 195,344
State grants	102,840	-	3,325	106,165
Interest and rents	6,593	2,627	584	9,804
Charges for services	16,385	-	1,801	18,186
Other revenue	77,147	-	-	77,147
TOTAL REVENUE	\$ 265,016	\$ 70,466	\$ 71,164	\$ 406,646
Expenditures:				
Legislative	\$ 40,624	\$ -	\$ -	\$ 40,624
General government	72,864	-	-	72,864
Public Safety	6,936	-	88,065	95,001
Public works	70	210	-	280
Recreation and culture	20,187	-	-	20,187
Debt service	-	-	35,542	35,542
TOTAL EXPENDITURES	\$ 140,681	\$ 210	\$ 123,607	\$ 264,498
EXCESS OF REVENUES (EXPENDITURES)	\$ 124,335	\$ 70,256	\$ (52,443)	\$ 142,148
Other financing sources (uses) :				
Loan Proceeds	\$ -	\$ -	\$ 42,000	\$ 42,000
Operating transfers from other funds	-	-	-	-
Operating transfers to other funds	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ 42,000	\$ 42,000
NET CHANGE IN FUND BALANCE	\$ 124,335	\$ 70,256	\$ (10,443)	\$ 184,148
FUND BALANCE BEGINNING OF YEAR	160,460	124,657	81,210	366,327
FUND BALANCE, END OF YEAR	\$ 284,795	\$ 194,913	\$ 70,767	\$ 550,475

****The accompanying notes to financial statements are an integral part of this statement**

TOWNSHIP OF STANTON
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets of
Governmental Activities on the Statement of Net Assets
March 31, 2006

Fund-balances - total governmental funds	\$ 550,475
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Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Add - capital assets, net	377,567
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Certain taxes are not recognized as revenue in the governmental funds because they are not available to pay current year expenditures

Add - deferred revenue	26,873
------------------------	--------

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Deduct - loans payable	<u>(84,123)</u>
------------------------	-----------------

Net Assets of governmental activities	<u>\$ 870,792</u>
---------------------------------------	-------------------

***The accompanying notes are an integral part of these financial statements.*

TOWNSHIP OF STANTON
Reconciliation of the statement of Revenues, Expenditures and Changes in
Fund Balance of Governmental Funds
To the Statement of Activities
FOR THE YEAR ENDED MARCH 31, 2006

Net change in fund balances - total governmental funds	\$ 184,148
--	------------

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add - capital assets	78,660
----------------------	--------

Deduct - depreciation expense	(31,633)
-------------------------------	----------

Certain taxes are not recognized as revenue in the governmental funds because they are not available to pay current year expenditures.

Deduct - decrease in deferred revenue	(713)
---------------------------------------	-------

Loan proceeds are revenue in the government funds but are recorded as a liability in the statement of net assets.	(42,000)
---	----------

Repayment of loan principal is an expenditure in the government funds but is recorded as a reduction of a liability in the statement of net assets.	<u>32,877</u>
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Change in net assets of governmental activities	<u><u>\$ 221,339</u></u>
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***The accompanying notes are an integral part of these financial statements.*

**TOWNSHIP OF STANTON
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
AS OF MARCH 31, 2006**

	<u>Enterprise Fund</u> <u>Sewer</u>
Assets	
Current Assets:	
Cash	\$ 15,415
Accounts Receivable	840
Total Current Assets	<u>\$ 16,255</u>
Property, plant, and Equipment:	
Sewer Project - Engineering fees	<u>\$ 56,417</u>
Total Assets	<u><u>\$ 72,672</u></u>
Liabilities	
Current Liabilities	
Accounts Payable	\$ 43,001
Due to other funds	10,000
Total Current Liabilities	<u>\$ 53,001</u>
Total Liabilities	<u><u>\$ 53,001</u></u>
Net Assets	
Unrestricted	<u>\$ 19,671</u>
Total Net Assets	<u><u>\$ 72,672</u></u>

****The accompanying notes to the financial statements are an integral part of this statement.**

TOWNSHIP OF STANTON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED MARCH 31, 2006

	Enterprise Fund
	Sewer
Operating Revenue	
Charges for services	\$ 3,840
Total Operating Revenue	\$ 3,840
Operating Expense	
Other - Finance charges and miscellaneous	\$ 1,970
Total Operating Expense	\$ 1,970
Net Income From Operations	\$ 1,870
Non-operating Revenues:	
Interest	\$ 241
Net Income	\$ 2,111
Net assets-beginning	17,560
Net assets-ending	\$ 19,671

****The accompanying notes to financial statements are an integral part of this statement.**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED MARCH 31, 2006**

	<u>Enterprise Fund</u> <u>Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 3,720
Cash payments to suppliers for goods and services	<u>(1,826)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,894</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfer in	\$ -
Transfer out	<u>-</u>
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES	<u>\$ -</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from federal grants	\$ -
Proceeds from donations	-
Proceeds from short-term debt	16,270
Acquisition of capital assets	(21,431)
Principal paid on long-term debt	-
Interest paid on long-term debt	<u>-</u>
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>\$ (5,161)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on investments	<u>\$ 241</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (3,026)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>18,441</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 15,415</u></u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Operating income (loss)	\$ 1,870
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	-
Change in assets and liabilities:	
Accounts Receivable	(120)
Deferred revenue	-
Due from other funds	-
Accounts payable	144
Due to other funds	<u>-</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 1,894</u></u>

****The accompanying notes are an integral part of these financial statements.**

TOWNSHIP OF STANTON
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
March 31, 2006

	<u>Trust and Agency</u>
<u>Assets</u>	
Cash in bank	\$ 53,473
Total Assets	<u>\$ 53,473</u>
<u>Liabilities</u>	
Due to other funds	\$ 9,066
Due to others	44,407
Total Liabilities	<u>\$ 53,473</u>

**The accompanying notes to the financial statements are an integral part of this statement.

TOWNSHIP OF STANTON, MICHIGAN
Notes to Financial Statements
YEAR ENDED MARCH 31, 2006

NOTE A – THE FINANCIAL REPORTING ENTITY

The Township of Stanton, Michigan, is located in Houghton County Michigan. The Township operates under an elected Township Board of five (5) members and provides services, assistance and care to its residents.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

The Township complies with Generally Accepted Accounting Principles (GAAP). The Township's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from the business-type activities which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both

measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The Proprietary fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

The various funds are grouped in the financial statements into four generic fund types and two broad fund categories as follows:

Governmental Funds

General Fund

The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are legally restricted to expenditures for specified purposes.

Agency Fund

The agency fund is custodial in nature and does not present results of operations or have a measurement focus. This fund is used to account for assets that the Township holds for others in an agency capacity.

Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

CASH

Deposits are carried at a cost. Deposits are in two financial institutions in the name of the Township of Stanton, Michigan.

SURPLUS FUNDS

Michigan Compiled Laws, Section 129.91, authorizes the Local Unit to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government of Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The investment policy as required by Act 196 PA 1997 has been adopted by the board. The Township's deposits and investments are in accordance with statutory authority. All of the Township's surplus funds are in bank savings accounts and certificates of deposit.

The Governmental Accounting Standards Board (GASB) Statement No. 3 and GASB Statement No. 40 risk disclosures for deposits at year-end are as follows:

	<u>Carrying Amount</u>
Total Deposits	<u>\$ 614,866</u>
	<u>Bank Balance</u>
Total Deposits	<u>\$ 619,378</u>

At year-end, the carrying amount of the Township's deposits was \$614,866 and the balance per bank was \$619,378. Of the bank balance, approximated 71% was covered by federal depository insurance according to FDIC regulations.

ACCOUNTS RECEIVABLE

Accounts receivable in the government-wide Statement of Net Assets, include \$9,066 due from the Fiduciary Fund.

INVENTORY

Inventories are not significant and have not been recognized in any of the funds.

Capital Assets - Capital assets, which include property, equipment, and infrastructure assets (roads, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated

useful life in excess of one year. Such assets are recorded at cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Before March 1, 2004, infrastructure assets were not capitalized. Infrastructure assets acquired since March 1, 2004 are recorded at cost.

Property and equipment is being depreciated using the straight-line method over the following estimated useful lives:

Buildings	20 to 40 years
Land Improvements	20 years
Infrastructure	40 years
Vehicles	5 to 20 years
Equipment	5 to 10 years

Capital asset activity for the year ended March 31, 2006, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 203	\$ -	\$ -	\$ 203
Other capital assets:				
Land Improvements	\$ 5,582	\$ -	\$ -	\$ 5,582
Buildings and Improvements	154,870	590	-	155,460
Infrastructure	83,157	7,280	-	90,437
Equipment and Vehicles	294,461	70,790	-	365,251
Total capital assets being depreciated	<u>\$ 538,070</u>	<u>\$ 78,660</u>	<u>\$ -</u>	<u>\$ 616,730</u>
Less accumulated depreciation:				
Land Improvement	\$ (279)	\$ (279)	\$ -	\$ (558)
Building and Improvement	(77,434)	(3,493)	-	(80,927)
Infrastructure	(2,078)	(2,260)	-	(4,338)
Equipment and Vehicles	(127,942)	(25,601)	-	(153,543)
Total accumulated depreciation	<u>\$ (207,733)</u>	<u>\$ (31,633)</u>	<u>\$ -</u>	<u>\$ (239,366)</u>
Governmental activities, capital assets, net	<u>\$ 330,540</u>	<u>\$ 47,027</u>	<u>\$ -</u>	<u>\$ 377,567</u>
Business-type Activities:				
Other capital assets:				
Sewer System - Engineering Fees	\$ 34,987	\$ 21,430	\$ -	\$ 56,417
Less accumulated depreciation:				
Sewer System - Engineering Fees	\$ -	\$ -	\$ -	\$ -
Business-type activities, capital assets, net	<u>\$ 34,987</u>	<u>\$ 21,430</u>	<u>\$ -</u>	<u>\$ 56,417</u>
Depreciation expense was charged to programs as follows:				
Governmental Activities				
Legislative	\$ 297			
General Government	4,030			
Public Safety	23,816			
Recreation	2,004			
Public Works	1,486			
Total Governmental Activities	<u>\$ 31,633</u>			
Business-type activities				
Sewer	<u>\$ -</u>			

ACCRUED EMPLOYEE PAID TIME OFF

The Township does not allow employees to accumulate unused vacation or sick leave.

INTERFUND LOANS

Interfund loans receivable (reported in "Due from" asset accounts) are considered "available spendable resources."

PENSION PLAN

The Township has a defined contribution retirement plan covering all elected officials. The Township's contribution for all funds amounted to \$3906 for the year ended March 31, 2006. The funds vest immediately. The premium due under the policy, which is paid totally by the Township, is based on the elected official's income level. No actuarial information is available for the plan.

USE OF ESTIMATES IN FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE C- LONG-TERM DEBT

In July of 2004, the Township borrowed \$40,485 from the bank to purchase a fire truck and equipment. The Township also borrowed \$34,515 to purchase a fire station. Repayment on both loans will begin April 1, 2005 and continue annually until April 1, 2007. Both loans carry an interest rate of 2.85%. Interest from July 2005 through March 2006 has been accrued and reported as an expense in the Fire Fund.

In June of 2005, the Township borrowed \$42,000 from the bank to help purchase a Hurricane Pumper truck. The loan will be repaid with monthly payments of \$945 beginning July 2005 and ending June 2009. The applicable interest rate is 3.80%.

The individual long-term debt of the Township of Stanton and the changes therein, may be summarized as follows:

	Balance March 31, 2005	Additions	Reductions	Balance March 31, 2006
Fire Fund				
Equipment	\$ 40,485	\$ -	\$ 13,301	\$ 27,184
Building	\$ 34,515	\$ -	\$ 11,340	\$ 23,175
Equipment	\$ -	\$ 42,000	\$ 8,236	\$ 33,764
TOTAL	\$ 75,000	\$ 42,000	\$ 32,877	\$ 84,123

Maturities on long-term debt are as follows:

Year ending March 31, 2007	\$ 34,993
Year ending March 31, 2008	36,215
Year ended March 31, 2009	11,035
Year ended March 31, 2010	1,880
TOTAL	\$ 84,123

NOTE D - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure, as part of the General Purpose Financial Statements – Overview, of certain information concerning individual funds including:

Selected financial information for the sewer fund for the year ended March 31, 2006 is presented as follows:

Operating Revenue	\$ 3,840
Operating Expenses	1,970
Depreciation	-
Operating Income (Loss)	1,870
Net Income (Loss)	2,111
Fixed Asset Additions	21,429
Net Working Capital	(36,746)
Total Assets	72,672
Total Equity	19,671

Fiscal year and Budget definition

The Township charter establishes the fiscal year as the twelve-month period beginning April 1. The board's finance committee prepares a draft of the budget, which is then finalized by the full board. After a public hearing is held, the board adopts the budget legally.

Budgeted amounts are as originally adopted or as amended by the Township Board. The budget is on a basis that is consistent with generally accepted accounting principles, thus no reconciliation between the budget basis and GAAP basis is necessary.

In the body of the financial statements, the Township's original and final budgeted and actual expenditures have been shown on a functional basis. The approved budgets of the Township for the budgetary funds were adopted to the functional level.

Excess Township expenditures

During the year ended February 28, 2006, the Township did not incur expenditures that were in excess of the amounts appropriated in any budgeted fund.

Deficit fund balances

Deficit fund balances or retained earnings balances of individual funds. There were no funds which had deficit fund balances or retained earnings balances as of March 31, 2006.

Interfund Receivables

The amount of Interfund receivables and payables at March 31, 2006 are as follows:

Fund	Interfund Receivable	Fund	Interfund Payable
General	\$ 14,775	Sewer Trust and Agency	\$ 10,000 4,775
<i>SUBTOTAL</i>	<u>\$ 14,775</u>		<u>\$ 14,775</u>
Road	\$ 2,184	Trust and Agency	\$ 2,184
<i>SUBTOTAL</i>	<u>\$ 2,184</u>	<i>SUBTOTAL</i>	<u>\$ 2,184</u>
Fire	\$ 2,107	Trust and Agency	\$ 2,107
<i>SUBTOTAL</i>	<u>\$ 2,107</u>	<i>SUBTOTAL</i>	<u>\$ 2,107</u>
<i>TOTALS</i>	<u>\$ 19,066</u>	<i>TOTALS</i>	<u>\$ 19,066</u>

NOTE E - PROPERTY TAX

Property taxes are levied twice a year. The taxes are collected by the local units of government within the Township and periodically remitted to other governmental entities during the collection period. It is Houghton County's policy, through its Internal Service 100% Tax Payment Fund, to purchase delinquent real property taxes and special assessments each year to afford 100% collection of the current levy to Stanton Township.

The tax rate to finance general government services for the year ended March 31, 2006 was 1.2777 per \$1000 of assessed valuation. The present taxable valuation is \$31,692,555.

NOTE F – RISK MANAGEMENT

The Township of Stanton is exposed to various risks of loss related to torts; theft of, damage to; and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township maintains commercial insurance coverage covering each of those risks of loss.

NOTE G – CONTINGENCY

During the fiscal year ending March 31, 2006, the township sold dirt fill from township property to a private company. An adjacent property owner claims her land was damaged during the dirt fill removal and is suing the township and the private company for approximately \$30,000 in damages. The outcome of this case cannot be predicted at this time. The Township believes their insurance will cover any potential damages.

Required Supplemental Financial Information

TOWNSHIP OF STANTON
GENERAL FUND
Statement of Revenues, Expenditures and Fund Balance
BUDGET AND ACTUAL
Year Ended March 31, 2006

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes	\$ 46,500	\$ 46,500	\$ 62,051	\$ 15,551
State grants	96,500	96,500	102,840	6,340
Charges for services	20,000	20,000	16,385	(3,615)
Other revenue	5,500	5,500	83,740	78,240
<i>TOTAL REVENUES</i>	<u>\$ 168,500</u>	<u>\$ 168,500</u>	<u>\$ 265,016</u>	<u>\$ 96,516</u>
Expenditures:				
Legislative	\$ 42,900	\$ 42,900	\$ 40,624	\$ 2,276
General government	90,200	90,200	72,864	17,336
Public safety	7,500	7,500	6,936	564
Public works	-	-	70	(70)
Recreation and culture	27,900	27,900	20,187	7,713
<i>TOTAL EXPENDITURES</i>	<u>\$ 168,500</u>	<u>\$ 168,500</u>	<u>\$ 140,681</u>	<u>\$ 27,819</u>
Excess of Revenues (Expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,335</u>	<u>\$ 124,335</u>
Other financing sources:				
Operating transfers from other funds	\$ -	\$ -	\$ -	\$ -
<i>TOTAL OTHER FINANCING SOURCES (USES)</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess of revenues and other sources (Expenditures and other uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,335</u>	<u>\$ 124,335</u>
Fund balance beginning of year			<u>160,460</u>	
<i>FUND BALANCE END OF YEAR</i>			<u>\$ 284,795</u>	

TOWNSHIP OF STANTON
ROAD FUND
Statement of Revenues, Expenditures and Fund Balance
BUDGET AND ACTUAL
Year Ended March 31, 2006

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Current levy	\$ 41,100	\$ 41,100	\$ 59,022	\$ 17,922
Delinquent taxes	-	-	8,817	8,817
State shared revenue	1,800	1,800	-	(1,800)
Interest income	1,100	1,100	2,627	1,527
<i>TOTAL REVENUES</i>	<u>\$ 44,000</u>	<u>\$ 44,000</u>	<u>\$ 70,466</u>	<u>\$ 26,466</u>
Expenditures:				
Public Works	\$ 2,000	\$ 2,000	\$ 210	\$ 1,790
<i>TOTAL EXPENDITURES</i>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 210</u>	<u>\$ 1,790</u>
EXCESS OF REVENUES (EXPENDITURES)	<u>\$ 42,000</u>	<u>\$ 42,000</u>	<u>\$ 70,256</u>	<u>\$ 28,256</u>
Other financing sources -				
Operating transfers in	\$ -	\$ -	\$ -	\$ -
EXCESS OF REVENUES AND OTHER SOURCES (EXPENDITURES AND OTHER USES)	<u>\$ 42,000</u>	<u>\$ 42,000</u>	<u>\$ 70,256</u>	<u>\$ 28,256</u>
Fund Balance beginning of year			124,657	
<i>FUND BALANCE END OF YEAR</i>			<u>\$ 194,913</u>	

TOWNSHIP OF STANTON
FIRE FUND
Statement of Revenues, Expenditures and Fund Balance
BUDGET AND ACTUAL
Year Ended March 31, 2006

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Current levy	\$ 58,200	\$ 58,200	\$ 59,237	\$ 1,037
Delinquent taxes	300	300	6,217	5,917
Charges for services	2,400	2,400	1,801	(599)
State shared revenue	-	-	3,325	3,325
Interest Income	-	-	584	584
<i>TOTAL REVENUES</i>	<u>\$ 60,900</u>	<u>\$ 60,900</u>	<u>\$ 71,164</u>	<u>\$ 10,264</u>
Expenditures:				
Public Safety	\$ 93,900	\$ 93,900	\$ 88,065	\$ 5,835
Debt Services	26,224	26,224	35,542	(9,318)
<i>TOTAL EXPENDITURES</i>	<u>\$ 120,124</u>	<u>\$ 120,124</u>	<u>\$ 123,607</u>	<u>\$ (3,483)</u>
EXCESS OF REVENUES (EXPENDITURES)	<u>\$ (59,224)</u>	<u>\$ (59,224)</u>	<u>\$ (52,443)</u>	<u>\$ 6,781</u>
Other financing sources -				
Loan Proceeds	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ 42,000</u>	<u>\$ (18,000)</u>
<i>EXCESS OF REVENUES AND OTHER SOURCES (EXPENDITURES AND OTHER USES)</i>	<u>\$ 776</u>	<u>\$ 776</u>	<u>\$ (10,443)</u>	<u>\$ (11,219)</u>
Fund Balance beginning of year			<u>81,210</u>	
<i>FUND BALANCE END OF YEAR</i>			<u>\$ 70,767</u>	

Other Supplemental Information

**TOWNSHIP OF STANTON
GENERAL FUND
DETAIL OF REVENUES
FOR YEAR ENDED MARCH 31, 2006**

General Property Taxes	
Operating tax levy	\$ 36,921
Delinquent tax collection and interest	3,875
Payments in Lieu of Taxes / other tax payments	10,919
Administrative fees	10,336
Total general property taxes	<u>\$ 62,051</u>
License and Permits	<u>\$ 1,769</u>
Intergovernmental Revenue	
Payments in Lieu of taxes	
Commercial forest reserves	\$ 1,270
State shared taxes	101,570
State grants	-
Total intergovernmental revenue	<u>\$ 102,840</u>
Charges for services	
Rents	\$ 4,254
Services	12,131
Total charges for services	<u>\$ 16,385</u>
Fines and Forfeits	<u>\$ -</u>
Interest	<u>\$ 6,593</u>
Other Revenue	
Cemetery lots and burials	\$ 2,200
Sale of Fill and Timber	73,178
Miscellaneous	-
Total other revenue	<u>\$ 75,378</u>
TOTAL REVENUE	<u>\$ 265,016</u>

**TOWNSHIP OF STANTON
GENERAL FUND
DETAIL OF EXPENDITURES
FOR YEAR ENDED MARCH 31, 2006**

Legislative

Township Board

Personal services, salaries and wages

Salaries and wages \$ 2,982

Employee benefits 8,022

Total Personal Services \$ 11,004

Capital outlay -

Other current expenditures

Office Supplies -

Printing and Publishing 62

Insurance 24,565

Dues and memberships 639

Operating supplies 1,255

Telephone 2,590

Miscellaneous 509

Total other current expenditures \$ 29,620

Total Legislative \$ 40,624

General Government

Supervisor

Personal services, salaries and wages

Salaries and wages \$ 5,650

Other current expenditures

Travel 786

Telephone 90

Postage -

Miscellaneous 125

Total other current expenditures \$ 1,001

\$ 6,651

Elections

Personal services, salaries and wages

Salaries and wages \$ 764

Other current expenditures

Office Supplies -

Printing and Publishing 53

Miscellaneous 302

Total other current expenditures \$ 355

\$ 1,119

Legal/Accounting

Personal services, salaries and wages

Salaries and wages \$ -

Other current expenditures

Contracted services 4,750

Miscellaneous 35

Total other current expenditures \$ 4,785

\$ 4,785

**TOWNSHIP OF STANTON
GENERAL FUND
DETAIL OF EXPENDITURES
FOR YEAR ENDED MARCH 31, 2006**

Assesor/Equalization

Personal services, salaries and wages	
Salaries and wages	\$ 11,182
Capital outlay	2,875
Other current expenditures	
Contracted services	1,368
Operating supplies	-
Dues and memberships	-
Postage	1,039
Travel	810
Training	750
Miscellaneous	41
Total other current expenditures	<u>\$ 4,008</u>
	<u>\$ 18,065</u>

Clerk

Personal services, salaries and wages	
Salaries and wages	\$ 8,100
Capital outlay	
Other current expenditures	
Office supplies	-
Travel	396
Postage	171
Training	125
Miscellaneous	-
Total other current expenditures	<u>\$ 692</u>
	<u>\$ 8,792</u>

Board of Review

Personal services, salaries and wages	
Salaries and wages	\$ 1,675
Capital outlay	
Other current expenditures	
Travel	221
Printing and publishing	-
Training	675
Miscellaneous	-
Total other current expenditures	<u>\$ 896</u>
	<u>\$ 2,571</u>

Treasurer

Personal services, salaries and wages	
Salaries and Wages	\$ 9,334
Capital outlay	
Other current expenditures	
Contracted services	2,429
Travel	1,227
Telephone	-
Postage	1,042
Training	575
Miscellaneous	5
Total other current expenditures	<u>\$ 5,278</u>
	<u>\$ 14,612</u>

**TOWNSHIP OF STANTON
GENERAL FUND
DETAIL OF EXPENDITURES
FOR YEAR ENDED MARCH 31, 2006**

Township properties

Personal services, salaries and wages	
Salaries and wages	\$ 400
Capital outlay	7,870
Other current expenditures	
Utilities	3,277
Repairs and maintenance	1,245
Miscellaneous	276
Total other current expenditures	<u>\$ 4,798</u>
	<u>\$ 13,068</u>

Cemetery

Personal services, salaries and wages	
Salaries and wages	\$ 3,139
Other current expenditures	
Repairs and maintenance	62
Miscellaneous	-
Total other current expenditures	<u>\$ 62</u>
	<u>\$ 3,201</u>

TOTAL GENERAL GOVERNMENT

72,864

Public Safety

Police protection

Personal services, salaries and wages	
Salaries and wages	\$ 300
Other current expenditures	
Travel	-
Miscellaneous	-
Total other current expenditures	<u>\$ -</u>
	<u>\$ 300</u>

Fire protection

Contract services	\$ -
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Building inspector

Personal services, salaries and wages	
Salaries and wages	\$ 6,582
Other current expenditures	
Travel	54
Training	-
Miscellaneous	-
Total other current expenditures	<u>\$ 54</u>
	<u>\$ 6,636</u>
TOTAL PUBLIC SAFETY	<u><u>\$ 6,936</u></u>

**TOWNSHIP OF STANTON
GENERAL FUND
DETAIL OF EXPENDITURES
FOR YEAR ENDED MARCH 31, 2006**

Public works	
Streets and roads	
Personal services, salaries and wages	
Salaries and wages	\$ -
Capital outlay	-
Other current expenditures	
Contractual services	-
Miscellaneous	70
Total other current expenditures	<u>\$ 70</u>
TOTAL PUBLIC WORKS	<u><u>\$ 70</u></u>
 Culture and recreation	
Parks and recreation	
Personal services, salaries and wages	
Salaries and wages	\$ 6,230
Capital outlay	-
Other current expenditures	
Office supplies	-
Operating supplies	329
Printing and publishing	-
Travel	565
Utilities	4,592
Repairs and maintenance	8,249
Miscellaneous	222
Total other current expenditures	<u>\$ 13,957</u>
TOTAL PARKS AND RECREATION	<u><u>\$ 20,187</u></u>
 Other financing uses	
Operating transfers out- Other funds	<u>\$ -</u>
 TOTAL EXPENDITURES	<u><u>\$ 140,681</u></u>

**TOWNSHIP OF STANTON
FIDUCIARY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR YEAR ENDED MARCH 31, 2006**

Current Tax Collection Account

	Balance March 31, 2005	Additions	Deductions	Balance March 31, 2006
<u>Assets</u>				
Cash in bank	\$ 51,853	\$ 896,578	\$ 948,337	\$ 53,473
Total assets	<u>\$ 51,853</u>	<u>\$ 770,626</u>	<u>\$ 948,337</u>	<u>\$ 53,473</u>
<u>Liabilities</u>				
Due to other funds				
General fund	\$ 2,795	\$ 49,517	\$ 47,537	\$ 4,775
Fire fund	2,115	56,875	56,883	2,107
Road fund	2,193	58,965	58,974	2,184
Sewer fund	-	3,000	3,000	-
Due to schools	1,097	207,053	208,150	-
Due to county	11,042	480,650	480,323	11,369
Due to CCISD	677	61,558	61,536	699
Due to others	31,934	32,339	31,934	32,339
Total liabilities	<u>\$ 51,853</u>	<u>\$ 949,957</u>	<u>\$ 948,337</u>	<u>\$ 53,473</u>

Jutila, Jorgenson and Associates, P.C.
P.O. Box 175
Houghton, Michigan 49931
September 30, 2006

Township Board
Township of Stanton
Houghton, MI 49931

Management Letter

In connection with our audit of the general purpose financial statements of the TOWNSHIP OF STANTON, MICHIGAN for the year ended March 31, 2006, the following comment and recommendation concerning accounting procedures and controls in effect in the Township are presented for your consideration.

In previous years we noted that expenditures and transfers out exceeded appropriations in various funds. The Board has taken steps to avoid such excess spending. In the fiscal year ended March 31, 2006, no funds are over budget.

In the fiscal year ended March 31, 2006, we had problems reconciling the Fiduciary Fund. More documentation is needed to support the collections and disbursements. We discussed this with management. Steps are being taken to correct this problem.

These conditions were considered in determining the nature, timing, and extent of the audit tests to be applied in our audit of the March 31, 2006 financial statements, and this report does not affect our report on the financial statements dated September 30, 2006.

This report is intended solely for the use of management and should not be used for any other purpose. The comments contained herein are submitted as constructive suggestions to assist the Township in strengthening controls and procedures, and are not intended to reflect upon the honesty or integrity of any employee.

We would be happy to discuss any of the comments in this report, and would like to thank the officials and employees of the Township for the courtesy and cooperation shown us during our audit.

Respectfully Submitted,

Michael J. Jutila CPA

Michael J. Jutila
Certified Public Accountant
Jutila, Jorgenson & Associates, P.C.